UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

For: State and County Offices

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Agriculture Risk Coverage/Price Loss Coverage (ARC/PLC)
Reallocation and Election Process Impacts on Farm Records

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Approved by: Deputy Administrator, Farm Programs

[signature: J Michael Schmidt]

1 Overview

A Background

The Agricultural Act of 2014 (2014 Farm Bill) was enacted on February 7, 2014. The 2014 Farm Bill provides that base acres for covered commodities and generic (upland cotton) base acres for a farm shall be used to:

- compute PLC payments
- compute agriculture risk coverage – county (ARC-CO) payments
- compute agriculture risk coverage – individual (ARC-IC) payments.

The 2014 Farm Bill:

- requires the retention of covered commodity and generic (upland cotton) base and counter-cyclical (CC) payment yields that were on the farm as of September 30, 2013

- prohibits the same land from being enrolled in ARC/PLC, CRP, and WRP

- specified that the total acres under ARC/PLC, CRP, CRP easement, CRP practice lifespan requirements, and cropland enrolled in any Federal conservation program for which payments are made in exchange for not producing an agricultural commodity, shall **not** exceed the total DCP cropland acres on the farm

- authorizes reinstatement of base acres for covered commodity and generic base acres on the farm, for enrollment into ARC/PLC when the base had previously been reduced because of enrollment in CRP and the contract has expired or has been voluntarily terminated.

Disposal Date	Distribution
March 1, 2015	State Offices; State Offices relay to County Offices

1   Overview (Continued)

B   Purpose

This notice provides guidance to State and County Offices on actions:

- to take to maintain base acres after September 30, 2013
- to take to record base acres after September 30, 2014
- that can and cannot be taken in MIDAS Farm Records
- that can and cannot be taken in Web Farm Records.

2   ARC/PLC Reallocation Impacts on 2014 and 2015 Farm Records

A   Timing of Recording CCC-505 Reductions and Reinstatement

Throughout the ARC/PLC reallocation and election process, the ARC/PLC software will read the current year information from Farm Records. As reallocation and election decisions are recorded, that data will be stored until the entire ARC/PLC election process is completed. At that time, all information for all farms with base acres greater than zero will be pushed back to 2014 Web Farm Records, 2015 MIDAS Farm Records, and 2015 Web Farm Records. The data that is pushed back will overwrite any existing base and yield data that is currently stored on the farm record for both the 2014 and 2015 crop years.

Since this update affects both the 2014 and 2015 years in farm record structure along with the base and yield, data must stay consistent between the 2 years until after the ARC/PLC process is complete for all farms nationwide.

B   Adjustments to Bases and Yields for FY 2014

The ARC/PLC reallocation and election process shall be made on the base acres and yields that were in effect in FY 2014. For cases where CCC-505 adjustments were effective in FY 2014 but not loaded before 2015 farm records rollover, users will need to access both the 2014 and 2015 farm records and load the adjustment. If the reallocation decision has been recorded before the adjustment being made, users will need to follow Notice ARCPLC-11, paragraph 14.

The ARC/PLC reallocation process will validate that the base acres on the farm do **not** exceed the effective DCP cropland plus double-cropped acres within a tolerance of 0.1 acre per tract on the farm. If the farm fails this validation, the user must record the adjustment for the 2014 and 2015 farm record to balance the farm, according to 10-CM.

C   Adjustments to Bases and Yields for FY 2015

Since the same values will be pushed back to farm records in both 2014 and 2015, base acre and yield adjustments effective in FY 2015 cannot be loaded until after the ARC/PLC reallocation and election process is complete and the new values are pushed back to farm records. Therefore, all FY 2015 CCC-505 adjustments must be held until further notice.

2   ARC/PLC Reallocation Impacts on 2014 and 2015 Farm Records (Continued)

C   Adjustments to Bases and Yields for FY 2015 (Continued)

This includes CRP acres that expired at the end of FY 2014 or were enrolled effective at the start of FY 2015. A subsequent notice will be posted once FY 2015 CCC-505 adjustments can be made.

D   Producer Adjustments

The ARC/PLC process will use the current year owners, operators, and other producers on the farm. If the owner, operator, or other producer changes during the process, offices will make these updates in the 2015 MIDAS Farm Records.

E   Out-of-Balance Farm Adjustments

The ARC/PLC reallocation process will validate that the base acres on the farm are **not** in excess of effective DCP cropland plus double-cropped acres. A tolerance of 0.1 acre per tract on the farm will be used. If the farm is out-of-balance, meaning the base acres plus generic base acres exceed the effective DCP cropland plus double-cropped acres, users must record the CCC-505 adjustment in both 2014 Web Farm Records and 2015 MIDAS Farm Records before the reallocation process can be completed.

3   Farm Record Edits

A   Timing of Farm Record Edits To Be Taken in MIDAS Farm Records

The following table provides guidance on when to complete edits in MIDAS Farm Records.

Note: Any 2015 edit that either increases or decreases the effective DCP cropland on a tract that is part of a multiple-tract farm will impact the percentage of effective DCP cropland used in the ARC/PLC reallocation process. Producers should be made aware that the percentage of effective DCP cropland is based upon the revised 2015 data.

Action	Normal Farm Records Edits	CCC-505?	MIDAS Tract-Level Action During ARC/PLC Reallocation and Election Periods	MIDAS Field-Level Action During ARC/PLC Reallocation and Election Periods
GIS Edit – Edit GIS boundary or change 3-CM cropland indicator.	Increase the acreage of CLU or change 3-CM cropland indicator attribute of CLU from "No" to "Yes".	N/A	N/A	Increase the acreage of CLU or change 3-CM cropland indicator attribute of CLU from "No" to "Yes".
	Decrease the acreage of CLU or change 3-CM cropland indicator attribute of CLU from "Yes" to "No".	Yes	N/A	**Do not** perform edits until further notice.
		No	N/A	Decrease the acreage of CLU or change 3-CM cropland indicator attribute of CLU from "Yes" to "No".

3   Farm Record Edits (Continued)

A   Timing of Farm Record Edits To Be Taken in MIDAS Farm Records (Continued)

Action	Normal Farm Records Edits	CCC-505?	MIDAS Tract-Level Action During ARC/PLC Reallocation and Election Periods	MIDAS Field-Level Action During ARC/PLC Reallocation and Election Periods
New FY 2015 conservation contract approved – CRP (except MPL practices).	Tract-level - Increase CRP cropland, enter CCC-505 CRP reduction data, and reduce base acre values, if applicable. Field-level - Enter field-level CRP attributes in "CRP Info Assignment" block.	Yes	**Do not** increase CRP cropland, enter CCC-505 CRP reduction data, and reduce base acre values until further notice.	Enter field-level CRP attributes in "CRP Info Assignment" block.
New FY 2015 conservation contract approved - WBP, State conservation acres, other conservation acres, WRP, and CRP MPL acres.	Tract-level - Increase WBP, State conservation acres, other conservation acres, WRP, and CRP MPL acres. Field-level - Enter field-level CRP attributes in "CRP Info Assignment" block for CRP MPL acres.	Yes	**Do not** increase WBP, State conservation acres, other conservation acres, or WRP acres until further notice.	N/A
		No	Increase WBP, State conservation acres, other conservation acres, WRP, and CRP MPL acres.	Enter field-level CRP attributes in "CRP Info Assignment" block for CRP MPL acres.
Existing conservation contract expired or was terminated on or after September 30, 2014 - CRP (except MPL practices) and GRP.	Tract-level - Decrease CRP cropland or GRP, remove CCC-505 CRP reduction data, and add to tract as base acres, if applicable. Field-level - Remove field-level CRP attributes in "CRP Info Assignment" block.	Yes	**Do not** decrease CRP cropland or GRP, remove CCC-505 CRP reduction data, and add to tract as base acres until further notice.	Remove field-level CRP attributes in "CRP Info Assignment" block.
		No	Decrease CRP cropland or GRP.	Remove field-level CRP attributes in "CRP Info Assignment" block.
Existing conservation contract expired or was terminated on or after September 30, 2014 - WBP, State conservation acres, other conservation acres, WRP, EWP, and CRP MPL acres.	Tract-level - Decrease WBP, State conservation acres, other conservation acres, WRP, EWP, and CRP MPL acres. Field-level - Remove field-level CRP attributes in "CRP Info Assignment" block for CRP MPL acres.	N/A	Decrease WBP, State conservation acres, other conservation acres, WRP, EWP, and CRP MPL acres.	Remove field-level CRP attributes in "CRP Info Assignment" block for CRP MPL acres.

3   Farm Record Edits (Continued)

A   Timing of Farm Record Edits To Be Taken in MIDAS Farm Records (Continued)

> **Note:** The following actions must be taken in 2015 MIDAS Farm Records if MIDAS Farm Records were **not** updated for expiring conservation contracts during 2014.

Action	Normal Farm Records Edits	CCC-505?	MIDAS Tract-Level Action During ARC/PLC Reallocation and Election Periods	MIDAS Field-Level Action During ARC/PLC Reallocation and Election Periods
Existing conservation contract expired or was terminated on or before September 29, 2014 - CRP (except MPL practices) and GRP.	Tract-level - Decrease CRP cropland, remove CCC-505 CRP reduction data, and add to tract as base acres, if applicable. Field-level - Remove field-level CRP attributes in "CRP Info Assignment" block.	Yes	Decrease CRP cropland or GRP, remove CCC-505 CRP reduction data, and add to tract as base acres. **Note:** 2014 Farm Records System (FRS) data must also be updated.	Remove field-level CRP attributes in "CRP Info Assignment" block.
		No	Decrease CRP cropland or GRP. **Note:** 2014 FRS data must also be updated.	Remove field-level CRP attributes in "CRP Info Assignment" block.
Existing conservation contract expired or was terminated on or before September 29, 2014 - WBP, State conservation acres, other conservation acres, WRP, EWP, and CRP MPL acres.	Tract-level - Decrease WBP, State conservation acres, other conservation acres, WRP, EWP, and CRP MPL acres. Field-level - Remove field-level CRP attributes in "CRP Info Assignment" block for CRP MPL acres.	N/A	Decrease WBP, State conservation acres, other conservation acres, WRP, EWP, and CRP MPL acres. **Note:** 2014 FRS data must also be updated.	Remove field-level CRP attributes in "CRP Info Assignment" block for CRP MPL acres.

4   Contact

A   State Offices

State Offices shall ensure that County Offices follow the procedure provided in this notice.

If there are questions about:

- ARC/PLC policy, contact Brent Orr, ARC/PLC Program Manager, by either of the following:

  - e-mail to **brent.orr@wdc.usda.gov**
  - telephone at 202-720-0809

- ARC/PLC automation, contact Michael Walter, Program Specialist, by either of the following:

  - e-mail to **michael.walter@wdc.usda.gov**
  - telephone at 816-926-7902

- Farm Records automation, contact either of the following Program Specialists:

  - Dan Culli by either of the following:

    - e-mail to **daniel.culli@wdc.usda.gov**
    - telephone at 202-690-1942

  - Steve Stark by either of the following:

    - e-mail to **steve.stark@wdc.usda.gov**
    - telephone at 816-823-5347.

B   County Offices

County Offices shall contact the State Office for questions about this notice.